

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Special Meeting of the Board of Directors
Monday, December 15, 2003

MEMBERS PRESENT: John J. Dillon
 Mary Titsworth-Chandler
 Jacob Hall
 Tom O'Donnell
 Arnold Pinkston

OTHERS PRESENT: Robert Clifford, Indianapolis Bond Bank
 Jennifer Weflen, Indianapolis Bond Bank
 Monica Durrett, Indianapolis Bond Bank
 Geneva Walker, Indianapolis Bond Bank
 Laurie Canatsey, Indianapolis Bond Bank
 Matt Hall, Indianapolis Bond Bank
 Evert Hauser, Indianapolis Bond Bank
 Jacqui Coe, Indianapolis Bond Bank
 Hans Steck, Bingham McHale
 Gary Malone, H.J. Umbaugh
 Michael Claytor, Crowe Chizek
 Lucy Emison, Ice Miller
 Steve Meno, Fifth Third Bank
 Molly Williams, Indianapolis Downtown Inc.
 Jim Merten, City Securities
 Sharon Karst, J.P. Morgan (Bank One) Trust Co.
 Bob Krocher, J.P. Morgan

The Special Meeting of the Indianapolis Local Public Improvement Bond Bank ("Bond Bank") convened at 12:00 p.m., Monday, December 15, 2003, at the City-County Building, 200 East Washington Street, Suite 224, Indianapolis, Indiana, pursuant to notice given in accordance with IC 5-14-1.5. Chairman John Dillon called the meeting to order after determining that a quorum was present.

Chairman Dillon asked the Board to review the minutes from Wednesday, October 22, 2003. Chairman Dillon asked for a motion to approve the minutes. Mr. Thomas

O'Donnell made a motion to approve the minutes, seconded by Mr. Jacob Hall. All voted in favor and the motion passed.

The first order of business was the dates for the 2004 Board Meeting, which was given by Ms. Jennifer Weflen (Deputy Director Bond Bank).

Chairman Dillon then asked Mr. Robert Clifford (Director Bond Bank) to go over the budget to be approval for 2004. Mr. Clifford stated that the budget proposed in September 2003 has not changed and is subject to the Board's approval. Mr. Clifford then stated that there may be a few changes as the Bond Bank gets into next year, being mindful of Mayor Peterson's priorities as the years goes on. Chairman asked the Board if there were any questions regarding the budget. There were none. Chairman Dillon asked for a motion to approve the budget. Ms. Mary Chandler made the motion to approve, seconded by Mr. Arnold Pinkston. All voted in favor and the motion passed.

The next order of business was the discussion of the interim 2003 financial report. Mr. Robert Clifford stated that this was being presented to the Board to show where the Bond Bank stands relative to the budget for 2003 through the end of November. Mr. Clifford went on to state that the Bond Bank has \$400,000.00 in outstanding revenues to be collected in December. Mr. Clifford also stated that he anticipates expenses and accruals for professional fees to be around \$230,000.00. Mr. Clifford then stated that the Bond Bank should be close to what was budgeted for the year. Mr. Clifford also mentioned that the accounting department for the Bond Bank did a great job of keeping the senior members of the Bond Bank up-to-date on the information. Mr. Clifford then discussed the variances stating that there were only two expenses that were over budget. He stated that the Bond Bank was \$265,000.00 under budget year-to-date and anticipates approximately \$200,000.00 in expenses towards the end of the year. Chairman Dillon asked if there were any questions for Mr. Clifford. There were none.

The next order of business was tax warrants. Mr. Matt Hall presented Resolution No. 12 to the Board. Mr. Hall stated that Resolution No. 12 authorizes the tax anticipation notes program for 2004. Mr. Hall stated that it is the same program that has been in place since 1988 and this year they are going back to a more traditional program, which consists of six-month borrowings. Mr. Hall went on to explain the details of the warrant program. He did mention that the program has been approximately \$4.3 billion dollars over the life of the program. Mr. Hall went on to explain that the size of the warrants is approximately \$100MM, with pricing the first week of January and closing the second week of January 2004. Mr. Hall introduced the teams that would be working on the project. Mr. Hall asked if there were any questions. Mr. Jacob Hall complimented Mr. Matt Hall on the presentation he made to the council committee. Chairman Dillon asked for a motion to approve Resolution No.12. Mr. Arnold Pinkston made the motion to approve, seconded by Mr. Jacob Hall. All voted in favor and the motion passed.

The next order of business was the PERF (Public Employees Retirement Fund) Resolution listed as Employer Participation. Chairman Dillon asked Ms. Weflen to explain. Ms. Weflen stated that the Bond Bank pays 3% of the employee's salary to PERF to deposit into an annuity savings account. Ms. Weflen went on to explain that in 2000 legislation was passed to allow post-tax contributions by employees into their annuity savings account and this past Spring PERF received a favorable letter ruling that

they had requested from the IRS allowing pre-tax contributions into their annuity savings account. Ms. Weflen went on to explain other details of the resolution. Chairman Dillon asked for a motion to approve. Mr. Thomas O'Donnell made the motion to approve, seconded by Mr. Arnold Pinkston. All voted in favor and the motion passed.

The next order of business was the update for Market Square Site. Ms. Weflen covered the details of this as well. Ms. Weflen explained that the City came to the decision to narrow down the field of six proposals for Market Square Site Redevelopment. Ms. Weflen made mention that she and Mr. Clifford participated on the review team. Ms. Weflen then stated that the two teams chosen were the group headed by AMLI and Hearthview Residential with Mr. Jim Thomas and Mr. Chris Reid being involved in the project. Ms. Weflen gave a general description of the units, which consists of condos and apartments. Ms. Weflen then stated that the other finalist is Market Square Partners, which is headed by Mr. Mike Comparato, who is with CTE Engineers, and Mr. Bill Shrewsberry with Shrewsberry and Associates. Ms. Weflen gave a brief description of those units as well, which is comprised of condominiums. Ms. Weflen then stated that they expect to have weekly meetings with both teams and address some specific issues. She is hoping that they will have a recommendation to take to the Metropolitan Development Commission the beginning of February. Mr. Arnold Pinkston asked what was the overall goal of the project. Ms. Weflen stated that the City had a marketing study done and a wider vicinity plan incorporating the marketing study and the result of the study was that a mixed-use development of that site would be the most economically feasible. Ms. Weflen then stated that, overall, the City would like to spur further development on the eastside of downtown, and to balance the State Capitol grounds with something with a substantial presence on the eastside.

The next order of business was Plaza Parking, this information was also given by Ms. Weflen. Ms. Weflen updated the Board giving information as to the location of the parking garage. She then went on to explain that the owner of the garage refused to sell and didn't want to participate in the redevelopment in the area and offered to sell the garage for around three times the amount of the appraisals that were done. Ms. Weflen then stated that the City pursued condemnation and received an order approving the condemnation. Ms. Weflen also stated that they are moving forward and still trying to settle with the owner since they would still have to litigate the price of the garage and the appeals. Mr. Arnold Pinkston asked about the condemnation litigation as to its expense. Ms. Weflen answered his question, stating that that kind of litigation could get broad, however, she feels that it appears that money has been saved by litigating to this point given what the owner wants for the property.

The next order of business was Circle Block. Mr. Robert Clifford stated that the Bond Bank is working with the Kite and Mansur Group to put a deal together. Chairman Dillon asked if the labor pieces were together. Mr. Clifford stated that they have been for several months. Chairman Dillon asked Mr. Thomas O'Donnell if the labor was together to his satisfaction. Mr. O'Donnell stated that they were. Mr. Clifford stated that the issue is how the job gets done and the logistics of getting it through council and different committees of the City.

The next order of business was Resolution No. 13- the proposed expansion of the Convention Center. Chairman Dillon asked for the records to show that he recused

himself from the next issue at hand, thus handing control over to Ms. Mary Chandler, who assumed the role of Chairperson. Chairman Dillon left the room for the balance of the meeting. Mr. Robert Clifford stated that he has been involved with Ms. Melina Kennedy, Mr. Fred Glass (Chairman, CIB) and Deputy Mayor Michael O'Connor and several others on the expansion of the Convention Center. Mr. Clifford went on to explain the reasoning behind the expansion, stating that the two largest conventions that the city hosts have outgrown the current space. Mr. Clifford then stated that these groups are threatening to leave and the two conventions happen in January and February, which are hard months for the city to replace. Mr. Clifford went on to explain the limited possibilities and how they would like to move forward since the matter is time sensitive. He stated that they would like to get someone involved who can focus on the expansion and get it on track, keep the costs down and make sure that the City isn't building more than necessary.

Mr. Clifford went on to state that one of the considerations for this project was Chairman Dillon. Mr. Clifford stated that the resolution states that the Bond Bank would hire Mr. John Dillon with the anticipation of paying him from bond proceeds once the deal is ultimately complete, but that with most of the projects, the Bond Bank would cash flow the up-front money. Mr. Clifford then stated to the Board that Resolution No. 13 authorizes the Bond Bank to bring Mr. Dillon in on a part-time basis, approximately 20 hours per week, for about three to four months. Mr. Dillon would be there to help the City get the architects and engineers, determine the right location for the expansion, review the feasibility studies being done by the CIB and be the liaison for everyone to get the job done. Mr. Arnold Pinkston asked Mr. Clifford about the other choices for the position. Mr. Clifford stated that there were a number of considerations, however, Mr. Dillon stood to be the most qualified and had the time to invest. Several other items were discussed about the selection process.

Acting Chair Mary Chandler asked Mr. Clifford whether or not a description of the bones of the proposed employment agreement had been spelled out. Ms. Jennifer Weflen went over the expectations of the job being offered Mr. Dillon. She stated that the contract would show that Mr. Dillon would be working as an independent contractor, as well as formally lay out disclosure of any conflicts that the Bond Bank is unaware of and other laws that may apply to the Bond Bank and independent contractors. Mr. Pinkston asked if the compensation was market. Ms. Weflen stated that it was. Ms. Chandler asked about the term. Ms. Weflen stated that the Bond Bank or Mr. Dillon could unilaterally terminate the agreement with fifteen days notice. Ms. Chandler asked if that was with or without cause. Ms. Weflen stated that it was without. Acting Chair Mary Chandler asked for a motion to approve Resolution No. 13. Mr. Thomas O'Donnell made the motion to approve, seconded by Mr. Jacob Hall. All voted in favor, with Mr. Dillon abstaining, and the motion passed.

The next topic of discussion was the hiring of Mr. Kobi Wright. Mr. Clifford stated that the Bond Bank is going to require an attorney to work on the projects that are forthcoming and Mr. Wright has been the candidate identified to work on economic development matters for the Bond Bank. Mr. Clifford went on to discuss the particulars of the percentage of pay the Bond Bank would be responsible for. Mr. Clifford stated that the Bond Bank would have a net budgetary favorable impact. He then stated that the way the Bond Bank anticipates doing this is to have Mr. Wright work from the Bond Bank and

work directly with Ms. Weflen on Market Square and Ms. Melina Kennedy on economic development issues. Acting Chairperson Chandler welcomed Mr. Wright.

Mr. Jacob Hall asked Mr. Clifford if he was going to comment on the outstanding loan for the voting machines. Mr. Clifford stated that he had preliminary conversations with Doris Ann Sadler (County Clerk). He stated that she was under the assumption that the money the Federal Government was giving the State of Indiana would cover 90% of the cost of the voting machines. Unfortunately, the money goes through the State and the State has decided to divide the money differently. Mr. Clifford then stated that the County will possibly receive not even 60% and chances are that amount will be distributed over several years. Mr. Clifford then stated that the Bond Bank was currently anticipating that they would receive money in 2004 for the voting machines and will use that money to pay down the notes, then refinance the existing note to extend the terms.

There were no other matters to discuss.

Acting Chair Chandler adjourned the meeting at 12:35p.m.

**THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT
BOND BANK**

Resolution No. 13, 2003

WHEREAS, The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank") has been involved in the efforts of the City of Indianapolis ("City") to expand the Indianapolis Convention Center; and

WHEREAS, the successful expansion of the Indianapolis Convention Center will enhance economic development for the city; and

WHEREAS, the Bond Bank desires to retain the services of John J. Dillon in this matter consistent with the terms of the attached Agreement for Services ("Agreement");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD THAT:

1. The Executive Director is hereby authorized to enter into an Agreement for Services with John J. Dillon, attached herewith. The Executive Director is authorized and directed, for and on behalf of the Bond Bank to execute, attest and seal all documents, instruments, and other papers and to do all such acts and things as may be necessary or desirable in order to enter into the Agreement.

2. Funds for the Agreement shall be reimbursed to the Bond Bank, if available, from the bond issuance expense account set up as part of the financing for the acquisition.

Adopted this 15th day of December 2003.

**THE INDIANAPOLIS LOCAL PUBLIC
IMPROVEMENT BOND BANK**

Mary Titsworth Chandler, Vice-Chair

Attest:

Robert J. Clifford, Executive Director